



MISSOURI  
PUBLIC SERVICE  
COMMISSION

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**THREE - YEAR  
STRATEGIC PLAN**

FY1999-FY2001

## FOREWORD

The Strategic Plan Working Group developed the Missouri Public Service Commission's Strategic Plan during the summer of 1998. The three-year plan covers Fiscal Years 1999 through 2001, and will necessarily be updated as changes occur in state government and the regulatory environment.

The Strategic Plan is a living document that can help guide and focus agency decision-makers in their efforts toward achieving the vision and mission of the Missouri Public Service Commission.

Donna M. Kolilis, *Director*  
*Administration Division*



MISSOURI PUBLIC SERVICE COMMISSION  
THREE-YEAR STRATEGIC PLAN  
FY1999-FY2001

**TABLE OF CONTENTS**

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<b>Mandates</b> .....	2
Jurisdiction .....	2
<b>Background</b> .....	3
<b>Changes to Consumers/Ratepayers</b> .....	3
Changes to Utilities .....	3
Changes to the PSC Staff .....	4
Changes to Commissioners' Environment .....	4
<b>Vision Statement</b> .....	5
<b>Mission Statement</b> .....	6
<b>Value Statements</b> .....	7
<b>Strategies and Outcome Measures</b> .....	8
Issue #1: PSC's knowledge and skills base needs to be expanded .....	8
Issue #2: Organizational Structure and Processes	
Should be Less Cumbersome .....	10
Issue #3: PSC Needs to be More Responsive and	
Receptive to the External Environment and	
Actively Address Changing Issues .....	12



## MANDATES

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The Missouri Public Service Commission (Commission or PSC) regulates investor-owned public utilities operating in the State of Missouri. It is responsible for ensuring that consumers receive adequate amounts of safely delivered and reasonably priced utility services and also for providing the utility companies' shareholders the opportunity to earn a reasonable return on their investment. The Commission must balance a variety of competing private interests to ensure the overall public interest of the citizens of Missouri.

### JURISDICTION

The Commission was established in 1913 by the Public Service Commission Law, now Chapter 386 of the Missouri Revised Statutes. The Commission regulates the rates, practices and operations of the state's 756 investor-owned electric, natural gas, telecommunications, steam, water and sewer utilities. The Commission has jurisdiction over the state's 48 rural electric cooperatives and 42 municipally-owned natural gas systems for operational safety and oversees service territory issues involving rural electric cooperatives and municipally-owned electric utilities. The Commission regulates manufacturers and dealers of mobile/modular homes and recreational vehicles. The Commission also acts as mediator and arbitrator of local telecommunication service disputes regarding interconnection agreements.

*“The rapidly changing environment in regulated utility industries demands more flexibility than ever before from the Missouri Public Service Commission. Strategic planning anticipates changes and allows some lead time in which to prepare to meet new challenges. This will make our agency more efficient and more responsive to the citizens we serve.”*

- Gordon L. Persinger , *Executive Director*  
*Missouri Public Service Commission*



## BACKGROUND

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The PSC, along with other utility regulatory agencies across the country, is in the middle of a paradigm shift. Utility services are being restructured and significant changes in regulations are underway. Competitive forces are being introduced into what was a relatively stable environment, and the ensuing ripples of these changes are extensive. The changes that will affect the PSC over the next three to five years were identified and classified as follows:

### CHANGES TO CONSUMERS/ RATEPAYERS

Consumers/ratepayers will find themselves in a significantly different situation as restructuring and/or deregulation of certain aspects of the utility industry occurs. The simple fact that there will be a choice of provider for a certain utility demands that the consumer have more information about the services offered, and, in particular, some education as to what to look for in these service offerings. This will, in turn, require more outreach programs on the part of the PSC to assist the public in becoming better informed to make rational decisions in their own best interests.

### CHANGES TO UTILITIES

Utilities will also have to adapt to this new environment. The market will continue to be characterized by mergers and a convergence of services such as is happening in the cable and telecommunication industries. Deregulation may provide opportunities for competition and competitive threats may lead to downsizing in existing utilities as the companies attempt to respond to those threats. The increased deregulation activities will lead to unbundling of services and initial confusion and turmoil as the new rules of engagement are settled. Competition could lead to creative and varied service offerings, financial arrangements, etc.

## CHANGES TO THE PSC STAFF

In order to respond to changes in the regulatory environment, the PSC will also undergo changes to its staff. The primary focus of the staff's work is shifting from rate of return calculations and valuation to overall consumer protection. Similarly, the case load will move toward adjudicating disputes involving competitors and addressing quality of service issues. If the telecommunications industry is any indication of how deregulation impacts caseload, the PSC's caseload will increase dramatically, especially in the early years, as many more utilities come on line. These changes will lead to modifications in core processes, particularly as technology is introduced to help cope with the anticipated increase in case load. This in turn will lead to a change in the makeup of the staff and the skill sets required to be effective in this environment. The PSC will need to devote more resources to public affairs, handling consumer complaints, and developing consumer education training material.

## CHANGES TO COMMISSIONERS' ENVIRONMENT

The Commissioners, too, will see the effects of these dynamics. Increasing case loads, other than rate proceedings, will mean learning new skills to be able to deal with the new types of cases. Increases in volume may mean newer and more efficient ways to deal with individual cases to process them more quickly. Arbitration and mediation may become an option to resolve issues rather than the current quasi-judicial hearing process.

*“The ever changing regulatory environment challenges us to change as well. Our goal is to make the Public Service Commission more efficient in responding to those changes occurring in the industries we regulate. As traditional regulation is replaced by competition, we must strive to provide Missouri consumers with the information that they need to make informed decisions regarding utility service. At the same time, we must ensure that those companies provide high service quality.”*

- M. Dianne Drainer, Vice Chair  
Missouri Public Service Commission





## VISION STATEMENT

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WHAT IS A  
VISION STATEMENT?

*An organization's vision is the most fundamental statement of an organization's aspirations and goals. It must indicate a clear understanding of where the organization is today and offer a road map for the future. A Vision Statement provides the workers an image of what the leaders want the organization to be or become. It paints a picture of the desired future state for the organization describing what we want to create.*

WHAT DOES  
THE VISION  
STATEMENT DO?

*The Vision Statement serves as a compass for the entire organization, pointing both management and staff in the right direction on a daily basis. It also communicates the purpose and intent of the organization to its customers and suppliers, helping identify the context within which transactions are conducted. Finally, a Vision Statement helps provide ownership and a sense of common mission to an organization.*

### PSC VISION STATEMENT

**INFORMED CONSUMERS,  
QUALITY UTILITY SERVICES,  
AND A  
DEDICATED ORGANIZATION  
FOR MISSOURIANS  
IN THE 21ST CENTURY.**



## MISSION STATEMENT

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### WHAT IS A MISSION STATEMENT?

*The Mission Statement represents the Agency's purpose and reason for existence. It provides the scope and direction of our activities on a daily basis. Every action and decision must be in harmony with the Mission Statement of the PSC, and in areas where there is a dispute on the best course of PSC action to take, the determining factor must be which course of action best aligns with the Mission Statement.*

### We Will:

- Ensure that Missourians receive safe and reliable utility service at just, reasonable and affordable rates
- Support economic development, through either traditional rate of return regulation or competition, as required by law
- Establish standards so that competition will maintain or improve the quality of services provided to Missourians
- Provide the public the information they need to make educated utility choices
- Provide an efficient regulatory process that is responsive to all parties, and perform our duties ethically and professionally

*"Growing competition for services provided by regulated utilities will challenge the Missouri Public Service Commission to find new ways to insure that customers receive safe and adequate services at fair and reasonable rates. Strategic planning will assist the commission in the process of looking into the future and preparing for changes ahead of time. This will make the agency more efficient and responsive to the citizens of Missouri."*

- Gordon L. Persinger, Executive Director  
Missouri Public Service Commission





## VALUE STATEMENTS

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### WHAT ARE VALUE STATEMENTS?

*Value Statements represent the fundamental principles and philosophy of the agency and guide the agency's behavior. Values articulate basic management policies and define a customer oriented approach for producing and delivering services.*

#### **Empowerment:**

We value empowered, responsible employees who have the authority and accountability to perform their jobs, to achieve the goals of the organization.

#### **Customer Focus:**

We value actively soliciting customer input to determine our customers' needs.

#### **Innovation:**

We value the constant pursuit of innovative approaches, procedures, programs and services to maximize customer satisfaction; we will encourage creativity, listening, and risk taking.

#### **Teamwork:**

We value teamwork and promote continued improvement in the efficiency and effectiveness of the organization.

#### **Our Employees:**

We value the knowledge, competence, loyalty and professionalism of our employees and will recognize their work, successes and accomplishments.

#### **Job Satisfaction:**

We value positive employee morale that emphasizes honesty, fairness and trust, and encourages the achievement of personal goals which enhance the overall success of the organization; we will provide our employees the tools they need to do their jobs.

#### **Diversity:**

We value an environment which encourages diversity.



## STRATEGIES AND OUTCOME MEASURES

### ISSUE #1: PSC'S KNOWLEDGE AND SKILLS BASE NEEDS TO BE EXPANDED

The quality of the PSC's work product is based on the expertise and competence of its employees. This competence results from a healthy mixture of experience, leadership, technology resources and an improved innovative atmosphere. In times of dynamic change, such as today's utility regulatory environment, those key attributes become even more important. Loss of seasoned staff and excessive turnover of junior staff can whittle away at the core of any agency's ability to perform at consistently high levels.

### GOAL: INCREASE EMPLOYEE RETENTION RATES

*Retaining of its most key asset (employees) and ensuring the highest quality working environment is key to maintaining and building on the PSC's national reputation. In addition, loss of key staff will affect the ability of the PSC to handle the increasing and changing workload with the current staffing levels even with gains in productivity through automation.*

**OUTCOME:** A healthy balance of experienced and new employees.

**OUTCOME METRIC:** UCP State average turnover rate as a maximum acceptable turnover.

**OBJECTIVE:** *Within three years, reach the UCP average. For year one, and each subsequent year, show 33% progress, until the target averages attained.*

#### STRATEGIES:

- Survey other state utility commissions to build a database of turnover statistics and programs addressing turnover
- Determine causes of turnover (beyond exit interviews)
- Review and develop training programs
- Conduct comparative annual salary survey
- Attain competitive salaries
- Refine and develop rewards/career ladders
- Update and improve technology to support the work of the PSC

**OUTCOME:** A job satisfaction measure better than the initial PSC baseline.

**OBJECTIVE:** Improve job satisfaction annually by 10% per year over the initial baseline.

#### STRATEGIES:

- Establish initial baseline measure
- Conduct annual job satisfaction surveys, using standardized instrument
- Improve work processes with Information Technology



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**OUTCOME:** A reward system that is valued by employees.

**OBJECTIVE:** *By year one*, have a system in place.

**OBJECTIVE METRIC:** A reward system valued by 75% of employees responding to survey.

**STRATEGIES:**

- Conduct annual rewards survey, using standardized instrument

**GOAL:** IMPROVE/INCREASE CORPORATE KNOWLEDGE RETENTION

**OUTCOME:** PSC has the skills, knowledge and abilities necessary to meet the requirements of a changing regulatory environment.

**OBJECTIVE:** *By year one*, complete the following activities:

**STRATEGIES:**

- Develop inventory of existing skills, experience, knowledge, education and training
- Identify and project future skills needed for each position and match skills to existing staff
- Develop recruitment programs to meet organizational needs
- Identify and develop training courses and mentoring programs
- Measure years of experience by staff skill category and set a baseline
- Document the key work processes
- Determine steps to acquire skills and knowledge

**OBJECTIVE:** *By year two*, complete the following activities:

**STRATEGIES:**

- Complete majority of information technology upgrade initiative
- Provide access to knowledge (Internet, etc.) to all staff
- Develop and implement job rotation and cross training programs
- Develop and implement a Schedule of Authorization to clearly describe the authority and responsibility in a given job description, and hire qualified personnel in key areas



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**ISSUE #2: ORGANIZATIONAL STRUCTURE AND  
PROCESSES SHOULD BE LESS CUMBERSOME**

Missouri's consumers deserve the most efficient and effective Public Service Commission achievable. Business techniques and technology are constantly changing and advancing. The PSC will continue to modernize its infrastructure to reduce the cost and the time it takes to perform its statutory duties. This will include reducing the cost of doing business with the PSC from the utility's perspective while increasing the amount of useful information available to the public. The organization will set a baseline for performance measures and continually work to improve its scores.

As part of leveraging the effectiveness of the agency, the PSC will selectively participate in the Federal and regional regulatory activities. This effort will provide Missouri's input in the crafting of Federal initiatives that affect the state.

**GOAL: TO IMPROVE THE AGENCY'S ORGANIZATIONAL STRUCTURE  
TO MAKE THE PSC MORE EFFECTIVE AND EFFICIENT**

**OUTCOME:** Increase the value of services to entities that interact with the PSC both externally and internally. To meet the growing demands on PSC by only adding resources as a last resort. In order to objectively measure these services, the PSC will develop quantifiable performance measures and establish performance standards.

**OBJECTIVE:** *By year one*, establish performance standards for the PSC, and identify performance measures.

**STRATEGIES:**

- Identify processes
- Determine the cost of a utility doing business with the PSC
- Prioritize and decide which processes to measure
- Design data collection instruments
- Redesign communication process between the Commission and Staff, where appropriate

**OBJECTIVE:** *By year two*, place 50% of agency's performance measures in operation; by year three, the final 50% of performance measures shall be in operation.

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STRATEGIES:

- Collect, evaluate, and report data
- Determine where improvement is needed
- Implement changes to processes and procedures
- Establish feedback mechanisms
- Encourage creative problem solving among staff

**GOAL: INCREASE PARTICIPATION AT THE FEDERAL LEVEL**

**OUTCOME:** Effective participation in Federal legislative and regulatory activities which affect the quality of utility services received and paid for by Missouri consumers.

**OBJECTIVE:** *By year one*, for each industry, quantify the FTE count (or hours) and dollars applied to current baseline federal involvement and identify the specific issues/topics addressed by those baseline activities.

STRATEGIES:

- Use working groups to evaluate charters, identify benefits to be gained from participation in Federal activities, and to identify opportunities for participation
- Use departmental groups to document past/present levels of participation

**OBJECTIVE:** *By year one*, for each industry, determine target levels and set priorities of participation in policy, legislative, and case specific opportunities.

STRATEGIES:

- Use working groups to develop integrated list of opportunities, identify mandatory and discretionary items and set priorities. Set priorities based upon potential payback (dollars, knowledge, etc.), required resources (time and expenses), degree of contribution/impact (extent which others with same interest will be participating)

**OBJECTIVE:** *By year two*, increase participation in identified areas.

STRATEGIES:

- Identify and assign resources to initiatives
- Implement a process to monitor progress by initiative
- Implement a process to measure return on investment of resources



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**ISSUE #3: PSC NEEDS TO BE MORE RESPONSIVE AND RECEPTIVE TO THE EXTERNAL ENVIRONMENT AND ACTIVELY ADDRESS CHANGING ISSUES**



The PSC's role continues to change and no area will require more attention than the relationship of the PSC with the public. Recent deregulation of telecommunications and the coming changes to electricity and gas will build a demand for knowledge on behalf of the consuming public. Consumers will need more accurate and unbiased information in order to make intelligent purchasing decisions.

As more rules are put in place adding structure to the competitive environment, the public's interest in the PSC's activity will increase significantly raising the PSC's public profile. This will in turn require the PSC to provide information in as many formats as possible to reach the public. These will include more public hearings, more data and information on the Internet and other means.

The increasing complexities of the issues at hand will require greater cooperation among state agencies. To deliver the most effective and efficient service to the citizens of Missouri, communication and coordination with sister agencies and the legislature will need to be reinforced. For example, as changes are considered to the existing utility infrastructure the basic service components that allow all Missourians access will need to ensure that an appropriate safety net is available to all who need it. This issue is best addressed by a coordinated effort of legislators, the PSC and the public.



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**GOAL: PROVIDE EASY ACCESS TO INFORMATION THAT WILL  
ENABLE THE PUBLIC TO MAKE KNOWLEDGEABLE  
UTILITY PURCHASING DECISIONS**

**OUTCOME: 95% of consumers are satisfied that they have access to the information they need to make knowledgeable utility purchasing decisions.**

**OBJECTIVE:** *By year one*, understand the market dynamics and customer needs. Identify what utility purchasing decisions consumers are making and will need to be able to make in the future (what choices consumers have and how to make informed decisions).

**STRATEGIES:**

- Work collaboratively with citizens across the State
- Develop surveys and conduct focus groups to identify needs
- Develop baseline customer satisfaction index for information availability

**OBJECTIVE:** *By year two*, develop materials (kits) that assist consumers in the utility selection process. Make these materials available in many formats and venues so that consumers have easy access to the information.

**STRATEGIES:**

- Build materials that provide information about each utility type (e.g. for selecting a long distance telecommunications carrier, a matrix comparing carriers rates)
- Develop multiple levels of information detail to support the varying needs of the constituency
- Make use of both low technology and high technology means to create, distribute and manage the information (e.g. active use of the press to disseminate information)

**OBJECTIVE:** *By year three*, complete a self sustaining program to update an information base and distribution means as needs and the market change.

**STRATEGIES:**

- Designate a group within the PSC to be responsible for this program on an ongoing basis
- Use technology extensively in maintaining and disseminating information
- Initiate regular surveys to measure progress against goal
- Use outsourcing as a means to reach out to all consumers

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**GOAL: INFORM THE LEGISLATURE AND GENERAL PUBLIC  
ON THE PSC'S CAPABILITIES, ROLE AND MISSION**

**OUTCOME:** To ensure that the PSC is effective in delivering its message to the legislature and public, at least 50% of the PSC's customers should know of the PSC and its role.

**OBJECTIVE:** *By year one*, determine information needed by the legislature and the best means for imparting the information.

**STRATEGIES:**

- Complete interviews with key legislators and their staffs to ascertain needs
- Analyze existing requests for information
- Initiate program to contact each legislator annually
- Implement legislation rapidly and effectively
- Review ex parte guidelines

**OBJECTIVE:** *By year two*, develop an action plan to address information needs discovered and begin systematic contacts.

**STRATEGIES:**

- Develop programs (outreach) for new legislators as part of initial orientation
- Ensure every legislator is contacted at least every two years for orientation
- Develop refresher programs for more experienced legislators
- Use legislative liaison/coordinators
- Keep track of requests from legislature for resolving constituent problems
- Continue roundtable programs

**OBJECTIVE:** *By year one*, determine information needed by the general public.

**STRATEGIES:**

- Establish data gathering surveys to develop a baseline for assimilating and structuring information
- Identify specific issues of interest to citizens and stakeholders, and then develop specific communication response



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OBJECTIVE: *By year two*, develop communication plans and public relation plans.

STRATEGIES:

- Make extensive use of press and broadcast media and provide speakers for public venues (e.g. write regular columns in major Missouri newspapers)
- Promote successes
- Continue roundtable programs (measure participation at round table discussions)
- Open regular dialogue with consumer groups, go to where the consumers are

**GOAL: DEVELOP SAFEGUARDS FOR CUSTOMERS THAT WILL NOT BENEFIT FROM A COMPETITIVE ENVIRONMENT**

**OUTCOME: No core customers will be harmed due to deregulation.**

OBJECTIVE: *By year one*, identify scenarios of customer groups vulnerable to deregulation/restructuring of utilities.

STRATEGIES:

- Analyze current market dynamics and characterize population at risk
- Analyze other states' experiences providing for a safety net
- Develop regulation/deregulation/restructuring scenarios

OBJECTIVE: *By year two*, develop programs to safeguard the vulnerable groups.

STRATEGY:

- Promulgate rules which establish minimum standards that protect 70% of the vulnerable population

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**GOAL: COORDINATED PROGRAMS WITH OTHER  
MISSOURI STATE AGENCIES**

**OUTCOME:** Fewer duplicate activities and more coordinated efforts with other agencies in representing the interest of the consumer.

**OBJECTIVE:** *By year one*, identify areas of duplication and overlapping mandates and efforts. Identify areas of mutual interest with other state agencies.

**STRATEGIES:**

- Identify and meet with other agencies
- Look at history of overlapping programs and results and use this data to develop approach to coordinating efforts

**OBJECTIVE:** *By year two*, establish information exchange between the PSC and other agencies.

**STRATEGIES:**

- Specify responsible people within the PSC to coordinate contact
- Develop regular channels - Internet, newsletters, meetings, and other appropriate means

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